

Daily Market News



9th January 2018

DOMESTIC NEWS

The tide continued to turn in the Kenya Shilling's favor during Monday's trading session as a result of increased foreign currency supply.

An uptick in corporate activity on the supply counter outweighed the dollar buyers thereby exerting downward pressure on the USDKES currency pair throughout the session and close 15 cents lower.

We see the domestic currency trading within current ranges of 102.70 – 104.00, with market activity expected pick up gradually.

Amounts	Today's	
	Opening	
	Buy TT	Sell TT
USD/KES	98.50	104.00
GBP/KES	135.50	141.50
EUR/KES	117.50	125.00
JPY/KES	86.00	96.50

Forward Rate (USD)	
1 month	
BUY	100.00
SELL	105.65
3 Months	
Buy	101.00
SELL	108.65

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.95%	5.62%	-33.00
91-Day T-bill	8.080%	8.080%	0.00
182-Day T-bill	10.649%	10.685%	+3.60
364-Day T-bill	11.151%	11.162%	+1.10
Inflation	4.73%	4.50%	-23.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar rose to more than one week highs against a basket of major currencies on Monday mainly on account of a fall in the euro as investors appeared to take profit following its recent rally.

The euro dropped by 0.57% and the EURUSD pair traded below the 1.200 level for the first time in recent weeks. The apparent profit-taking and correction saw investors abandon the common currency for the greenback.

Not even upbeat Eurozone data could offer support for the euro, where both month-on-month and year-on-year Eurozone retail sales for December surpassed expectations.

The pound held steady against the dollar amid news of a cabinet reshuffle in the U.K. as Prime Minister Theresa May sought to alleviate some of the political uncertainty that had engulfed Britain in recent months.

Earlier today, the Yen rose against the dollar amid a modest reduction in the Bank of Japan's bond buying operations, where the regulator cut its long-end bond purchases by JPY 20 billion as part of its Yield Curve Control policy intended to spur lending.

Indicative Deposit Rates			
Amts > KES 20 million		Amounts > 100,000	
KES		USD	EURO
Call	7.00%	0.50%	0.00%
1 month	7.50%	1.00%	0.00%
3 months	8.00%	1.25%	0.00%
6 months	8.50%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR/USD	1.1400	1.2400
GBP/USD	1.3000	1.4000
USD/JPY	109.00	117.00
USD/CHF	0.9485	0.9995